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## Chapter 5

### Welfare: Contesting Communities of Solidarity

Nicola McEwen

The defence of a social democratic vision of welfare was a key issue in the independence referendum campaign, just as it had been in the devolution referendum 17 years earlier. For the Yes camp, independence promised the power to create a more equal society and a fairer, more progressive welfare state, built upon Scottish social solidarity and the ‘common weal’. Promises included protecting and expanding pensions and benefits and abolishing the ‘bedroom tax’, halting welfare retrenchment and some other aspects of UK welfare reform, defending the NHS, and building a more Nordic-style welfare state reflecting the solidarity and social values (assumed to be) shared by Scots. For its part, the No campaign questioned the financial ability of an independent Scotland to afford current levels of spending on pensions, benefits, health and social care, let alone build a more generous system. No campaigners stressed that the UK’s ‘broad shoulders’ meant that resources could be pooled and burdens shared. The Labour Party appealed to a conception of social solidarity that crossed the internal territorial boundaries of the UK. It championed the UK ‘social union’ as the essence of its political union, reflecting and reinforcing UK-wide solidarity and mutual belonging. These competing claims and aspirations were set against the backdrop of controversial UK welfare reforms and a state-driven narrative that presented welfare as an unsustainable burden rather than a source of collective solidarity and pride. This weakened Labour’s arguments about social union and gave the Yes side the opportunity to present independence as the best way to preserve the social and economic entitlements associated with the post-war welfare state.

At the heart of these debates lies the interplay between policy choices, identity politics and contested communities of solidarity. The territorial politics of welfare is a common feature of nation-building and nationalist mobilization across advanced democratic nations and states. This chapter contextualizes and evaluates the competing welfare claims made by both sides in the independence referendum campaign. It first explores the relationship between territorial politics and the welfare state, arguing that the nation-building role once played by UK welfare has been undermined by both the transfer of competences over key welfare institutions and services to the devolved institutions, and the retreat from state welfare at the centre. Second, it identifies the key protagonists in the welfare debate. Drawing on a range of documentary sources from the long referendum campaign, including campaign documents, archived website material, government documents, speeches, news articles and online footage, it then analyses the core dimensions of the referendum welfare debate. The key analytical device is that of ‘frames’, defined by Gitlin (1980: 6) as ‘principles of selection, emphasis and presentation composed of little tacit theories about what exists, what happens, and what matters’. In political communication and campaigning, frames help to interpret and lend meaning to policy and political challenges, and to guide and motivate political behaviour (Entman, 1993; Hallahan, 2011). In the context of the referendum, framing helps us to identify how political actors perceived and represented the key issues on welfare, raising its salience in campaign discourse. The chapter draws upon Benford and Snow’s threefold categorization of framing to elucidate the ways in which different constitutional options were invoked to present the *diagnosis* and

*prognosis* for the future of the welfare state, and to *motivate* supporters and shape vote choice (Benford and Snow 2000).

The terms ‘welfare’ and ‘welfare state’ require clarification. For some, welfare may be a general set of social programmes delivered by the state, and the term is sometimes used in a derogatory way to refer to a narrow set of social security benefits, largely for people outside of the labour market. The broader definition used in this chapter conceptualizes the welfare state as a kind of *statehood* – ‘a state in which organized power is deliberately used (through politics and administration) in an effort to modify the play of market forces’ (Briggs, 2000; Wincott, 2003). In this sense, ‘welfare’ captures the broad range of social services, institutions, transfers and entitlements provided to individual citizens to protect them against social and economic contingencies, for example, related to age, ill health, unemployment or low pay, and to promote their social, educational and economic development and well-being. It includes institutions like the National Health Service, specific policy programmes and provisions for social housing, schooling, education, social and health care, as well as benefits and tax credits provided through the social security and tax system. The welfare debate in the referendum campaign also invoked a societal vision – of the kind of country the UK is and had become, and the kind of country an independent Scotland could be.

### **The Welfare State and the Nation-State**

Historically, the development of the *welfare* state and the *nation* state went hand in hand. The expanded role of the state in providing for the day-to-day needs of its citizens helped to reinforce its legitimacy among those it governed and justified the levying of taxes on the population. The national symbolism that accompanied such interventions strengthened the perception that the state represented a community of mutual belonging (Rokkan and Urwin, 1983; Mishra, 1999). Depending on the nature of the welfare regime, welfare states could generate social solidarity and mutual belonging across class groups, conferring an equality of status and set of entitlements on citizens irrespective of their market value and reinforcing that the better off had obligations towards their poorer compatriots (Marshall, 1950; Titmuss, 1958).

Intentionally or otherwise, welfare state institutions and services also served the politics of nation-building in plurinational states where the boundaries of national communities are contested. The nation-building function of the welfare state may be both symbolic and instrumental. Symbolically, welfare institutions can provide an institutional focus for national solidarity, representing a symbol of mutual belonging, risk-sharing and common security. It was not by accident that UK welfare developed a *National* Health Service and a system of *national* insurance, contributing to what Billig (1995) referred to as the ‘unmindful reminders’ of the boundaries of nationhood that are subtly presented and represented in every day discourse and experience. More instrumentally, the welfare state may serve a nation-building purpose by protecting citizens against risk and providing for their social and economic security, as well as focusing political organization and mobilization towards the institutions of state. A state that provides social protection for its citizens may also secure their loyalty, strengthening the ties that bind and heightening the risks associated with changing the constitutional order (McEwen, 2006: 62-79; Banting, 1995; Béland and Lecours, 2008).

In the UK and elsewhere, the relationship between the welfare state and the nation-state has faced two key challenges in recent years: the development and expansion of multi-level government; and a retreat from state welfare in the face of ideological pressures and growing financial and demographic burdens. First, in multi-level states where political authority is dispersed across levels of government, often there isn't a *national* welfare system at all, but variations on social welfare provision across the internal units of the state (McEwen and Moreno, 2005). The development of distinctive policies, social programmes and entitlements for citizens of the same state depending on the region in which they live poses a challenge to the principle of social citizenship and the equality of status for all citizens, potentially undermining inter-regional solidarity ties.

The regionalization of welfare can, of course, boost welfare state development at the regional scale, and lead to the development of systems of welfare that are more responsive to regional needs and preferences. The state need not be the only appropriate level of social citizenship (Keating, 2009: 504-6). In multinational states, sub-state nationalist and regionalist party governments have exploited the opportunity to use their command of social welfare to try to shift loyalties away from central institutions and to reinforce the boundaries of the national communities in whose name their territorial claims are made (McEwen, 2006; Béland and Lecours, 2008; Vampa, 2014). Where the welfare state becomes a tool deployed in the competitive nation-building strategies of state and regional governments, it can 'ratchet up' social welfare provision as each level of government competes for recognition in similar policy spheres (James and Lusztig, 2002; Banting, 2005; Allen, 2012).

The second challenge to the nation-building potential of welfare comes in the form of welfare retrenchment. In some countries, this may be ideologically driven, rooted in a neoliberal desire to escape a perceived dependency culture, an over-burdened and overly interfering state, and to promote enterprise and individual responsibility. For many, it is a response to increased levels of social expenditure across advanced democratic states, faced with ageing populations, low fertility and, consequently, less favourable dependency ratios between non-workers in need of care and tax-paying workers with the ability to fund it. This is often compounded by a belief that citizens are less willing to pay higher taxes for redistributive welfare (Bonoli, 2000). Welfare retrenchment, where it occurs, undermines the extent to which state-wide welfare institutions can represent symbols of inter-regional and class solidarity. It may also undermine perceptions that the state can act as the guarantor of citizens' social rights and entitlements. As a consequence, attachment to the nation-state may weaken, as may the risks and potential losses associated with major constitutional change. Sub-state nationalist or regionalist parties who demand greater self-government or independence for their territorial communities have exploited state welfare retrenchment, developing a narrative which questions the willingness and ability of the existing state to meet social and economic need, and promises a better future in the wake of territorial self-government. In the 1995 Quebec sovereignty referendum, for example, the Yes campaign exploited federal government cuts to unemployment insurance, pensions, old age security and transfer payments to the provinces, which they contrasted to the social democratic *projet de société* associated with a sovereign Quebec (McEwen, 2006; Béland and Lecours, 2008). Similarly, in the 1980s and 1990s, the welfare retrenchment of the Thatcher/Major governments was used by advocates of Scottish self-government to reinforce the need for a Scottish Parliament – to protect public services, develop 'Scottish solutions to

Scottish problems', and to guard against the regressive policies of a right-wing government (McEwen, 2006). Ideological, demographic and political pressures on the welfare state may of course be evident equally at the regional scale of government as at the centre. Where welfare competences are shared, these pressures can generate both burden-shifting and blame-shifting between levels of government.

The Scottish independence referendum was set against a backdrop of these twin challenges. The once broadly integrated UK welfare state has given way to divergent systems of welfare as a result of devolution, while the one remaining area of welfare – social security – that remained the responsibility of the UK government was being reshaped and partially eroded by controversial welfare reforms.

The Scotland Act 1998 transferred significant areas of the welfare state to the Scottish Parliament, and has allowed divergence in the substance and delivery of social services, with a greater preference toward universality and public provision in Scotland as compared to England. The most visible areas of distinctive social policy – 'free personal care', the abolition of tuition fees, free prescriptions, free bus travel for pensioners – assumed a symbolic significance in underpinning devolved Scotland's distinctiveness within the union. Although the UK welfare state always entailed variation between and within the UK's four nations, alongside many other inequalities in access to service provision (Wincott, 2006), devolution has rendered territorial variations more visible, and created the structures to facilitate the growth of distinctive welfare regimes. Social entitlements across many areas of provision now vary according to the territorial community in which UK citizens live, generating concerns among some academics on the liberal left that the absence of national, UK-wide frameworks may weaken inter-regional solidarity and social citizenship (Hazell and O'Leary, 1999; Jeffery, 2002: 193-4).

However, the reservation of social security and most tax policies meant that the capacity to shape redistributive welfare remained principally with the UK government and parliament, while a good deal of interdependence between devolved and reserved competencies created jagged edges in social provision, for example, between housing and housing benefit, or social care and disability benefits. Thus, UK welfare reforms intended to simplify the social security system, to reduce the financial burden social welfare imposed on the state and to promote (through cuts and curtailing entitlements) an ideologically driven transition from welfare to work for working-age adults, had direct and indirect consequences for devolved welfare competence. UK welfare reform also led to Scottish policy developments and commitments in response to what both the SNP government and the Labour opposition perceived as injustices in the system. For example, a system of discretionary housing payments was established by the Scottish Government to mitigate the effects of the UK government's 'spare room subsidy' (bedroom tax) imposed on those living in social housing in receipt of housing benefit. Following the termination and subsequent devolution (with a 10 per cent cut) of the UK Social Fund, the Scottish Government set up its own, more generous Scottish Welfare Fund to give grants to those in crisis or in need of community care. UK welfare reform may have further weakened the relationship between the welfare state and the nation-state, further undermining a conception of Britishness founded upon social welfare that had resonated in Scotland since the Second World War (Finlay, 1997), and had already been weakened during the Thatcher years. The bedroom tax and a punitive sanctions and benefits regime implemented by the UK government helped to

make welfare and ‘fairness’ central themes of the independence referendum campaign, enabling nationalists in particular to contrast the cuts and retrenchment in the new British welfare state with the promise of progressive welfare under independence.

### **The Protagonists**

The social democratic case for independence has long been evident on the left of the SNP. While there was no significant ideological divergence between Deputy First Minister Nicola Sturgeon and First Minister and party leader Alex Salmond, he tended to place more emphasis on the claim that independence was necessary to achieving Scotland’s economic prosperity, whereas Sturgeon’s comfort zone lies in social policy and welfare. The welfare state – couched within the broad objective of creating a ‘fairer’ society – was one of the three themes which made the Scottish Government’s case for independence (alongside the democratic and economic case), set out in the White Paper, *Scotland’s Future* (Scottish Government, 2013h). The White Paper gave some pointers to what that fairer society might look like, but the details of the independent Scottish welfare state were left to an independent expert group appointed by the government. Chaired first by Darra Singh, formerly Chief Executive of Jobcentre Plus and the second Permanent Secretary of the Department of Work and Pensions (DWP), then by Martyn Evans, Chief Executive of the Carnegie UK Trust, the expert group involved academics, senior public servants, business and third sector representatives. Its first report set out the transition to an independent welfare system, focusing on the bureaucratic challenges of transferring powers over social security from the UK to the Scottish Governments (Expert Group, 2013). Its final report presented a vision of an independent Scottish social security system which could be ‘fair, personal and simple’ (Expert Group, 2014).

The vision of a more progressive socially-just Scotland also lay at the heart of the case for independence across the broader Yes movement. Though much the smaller party within the Yes Scotland campaign, Scottish Green Party shared with the SNP a vision that independence could have a transformative effect on Scotland, including by creating a system of progressive taxation that would help to promote social justice, albeit one that promoted sustainability over economic prosperity, and decentralization and local empowerment over state control. Within the wider, more grassroots, movement, groups such as the Radical Independence Campaign, the Common Weal, the National Collective, Women for Independence and outlets like Bella Caledonia also campaigned for independence as a means to a more progressive future. They championed ‘hope over fear’, ‘the politics of sharing’ and ‘a Scotland of social justice’, articulating aspirations of preserving public services, eradicating poverty, income and gender inequality, and securing a redistributive welfare state (RIC, 2013; McGarry, 2013).

The No campaign was more fragmented when it came to the welfare theme. In spite of the post-war welfare consensus, the relationship between the nation-state and the welfare state has never been central to Conservative notions of Britishness, which instead rely on more traditional institutions and conventions of state. The potential of state welfare to promote solidarity across class and territorial groups has always been recognized and used more by the Labour Party. Long before devolution, Scottish Labour politicians traded Scottish political autonomy for access to the levers of power at the centre, with the promise that they could defend Scottish territorial interests and deliver the goods. After devolution, Labour maintained a commitment to a UK welfare vision, even promoting the NHS as a *national* symbol in spite of its growing

divergence under a system of multi-level government. It was the Labour Party, then, who championed a positive welfare case for union in the referendum campaign, one of the few areas where Labour could carve out a distinctive voice for itself in the Better Together campaign. However, it did so from a position of political weakness given the party's opposition status in the Westminster and Holyrood parliaments and the dependence of the vision on a future Labour-led government promoting UK welfare solidarity.

The No campaign was more united in talking up the risks that independence posed to pensions, benefits and social service provision. The UK Government's *Scotland Analysis* paper on work and pensions (HM Government, 2014d) set out the scope and costs of existing social security provision for Scotland and the benefits of being part of UK-wide systems. It provided estimates of the costs of setting up new independent welfare bureaucracies and emphasized the increased financial burden that would face an independent Scottish Government in light of demographic projections and other cost pressures. As in other policy spheres, this risk analysis provided the basis for the more negative case for a No vote, enabling Better Together to focus on the costs and potential losses independence could generate for citizens in need.

### **Framing the Debate**

Benford and Snow's (2000: 615) categorization of the way political actors utilize frames to lend meaning to policy and political issues provides a useful lens through which to understand the way welfare issues were framed in the referendum debate. They drew a distinction between diagnostic framing, used to identify a problem and assign blame, prognostic framing, where campaigners offer an alternative to the perceived problem, and motivational framing intended to shape and motivate action in pursuit of campaign goals. Such framing was evident in the referendum among both the Yes and No campaigns, though in rather different ways. Only the Yes campaign perceived and represented the Union as the source of the problems facing the welfare state. Moreover, the welfare issue gave the Yes campaign an opportunity that was less evident in other parts of the campaign. UK government policies on welfare reform and retrenchment were used as symbols of all that was wrong with the Union, in contrast to an alternative, aspirational prognosis for welfare offered by an independent Scotland where social democracy could flourish. For No campaigners, independence presented a rather bleaker prognosis, in light of demographic trends and economic and social risks. The motivational appeal came in both negative exposure of risks, and a positive appeal to the sense of community and solidarity that allowed those risks to be pooled and shared across the UK.

Four thematic areas highlight the ways in which both sides of the debate framed the issues of welfare. Each is discussed in turn below. For the most part, both campaigns talked past each other on welfare, appealing directly to the hearts and minds, aspirations and fears of the electorate.

### **Independence and the Defence of the Welfare State**

From the outset, the coalition government's welfare reforms were used both as a symbol of how the UK had moved ideologically from its own past and Scotland's present, and a rationale for the powers of independence to restore and advance social justice. These themes were signalled

in the early stages of the campaign in the First Minister's Hugo Young lecture, delivered in London in January 2012, when he suggested that:

. . . anyone who accepted the Union partly because of the compassionate values and inclusive vision of the post-war welfare state may now be less keen on being part of a union whose government is in many respects eroding those values and destroying that vision . . . And looking at the problems of health reform now, I thank the heavens that Westminster's writ no longer runs in Scotland on health issues. But the looming issues of welfare reform exemplify why Scotland needs the powers to make our own policies to meet our own needs and values (Salmond, 2012).

Such interventions highlight the twin challenges of welfare retrenchment and devolution confronting the traditional nation-building role of the welfare state. The critique is levelled both at British welfare institutions, deemed unable to embody social solidarity and represent shared British values, and at service provision. The British state was presented as no longer offering social protection, and the First Minister stressed a growing divergence between British and Scottish systems of social welfare.

Social justice was also a recurring theme of Nicola Sturgeon's referendum campaign. In a speech in December 2012, she acknowledged that the creation of the post-war welfare state had been a defining feature of Britishness, but argued that the institutions that underpinned British distinctiveness 'are under attack from the Westminster system of government' which is 'eroding the social fabric' (Sturgeon, 2012). In March 2013, she spoke of the efforts that the Scottish Government was undertaking to mitigate the detrimental effects of UK welfare reform, but argued: 'in order to deliver meaningful and long lasting change, and to deal effectively with an issue as complex as child poverty, with its many layers and its various causes and effects, we do need the levers currently reserved to Westminster to be returned to Scottish hands' (Sturgeon, 2013). Speaking to business leaders in March 2014, she highlighted 'the need to protect the post-war welfare state' as a core ambition of Scottish independence, arguing that 'far from pooling risk and sharing resources, the current Westminster government is intent on nothing less than the dismantling of the social security system' (Sturgeon, 2014a).

Framing the debate in this way diagnosed the constitutional status quo and the constraints of political union as the underlying problem. Devolved Scotland could take some steps to develop distinctive policies in those areas of welfare under its jurisdiction, but so long as Scotland remained within the United Kingdom, it could not fully escape the welfare retrenchment of the UK Government. From the perspective of the Yes campaign, independence offered a better, more progressive prognosis. Independence would give Scottish political institutions the tools to address Scotland's social and economic problems, to preserve those elements of the *British* welfare state that Scots still hold dear, and to create a policy landscape reflective of Scottish values, which it is presumed are founded upon social democracy. These campaign themes also built upon an egalitarian myth that has deep roots in Scottish institutions and political discourse. The enduring belief that 'we're a' Jock Tamson's bairns' (in spite of evidence of deep inequalities in the social structure) was central to the reframing of Scottish nationalism during



the Thatcher years (McCrone, 1996; Hearn, 2000; Morton, 2011), and coloured the discourse of Yes campaigners in the independence referendum.

The presentation of independence as a route to social justice was even more evident in the aspirations of the broader Yes movement. The Radical Independence Campaign (2013; see Figure 5.1) underlined the impact of welfare reform on the poorest communities in Scotland, and claimed that independence was an opportunity for radical social change. In the wake of George Osborne's rejection of a currency union, they issued a 'message to the victims of austerity' and embarked upon a grassroots engagement strategy taking their message – and voter registration forms – to those poorer communities in urban Scotland where alienation is high and political participation low (Radical Independence Campaign, 2014). The left-wing think tank, the Common Weal, linked its support for independence to a comprehensive, universal and interventionist welfare state designed to support wealth redistribution, class and gender equality, constitutionally-enshrined socio-economic rights and the pursuit of social justice. The creative arts group, National Collective, presented an aspirational vision of an independent Scotland with the powers to create a 'fairer, more compassionate welfare system' (Figure 5.1) and used concerts, posters and twitter to mobilize the sympathetic and inspire optimism for a future under independence.<sup>1</sup>

INSERT FIGURE 5.1 HERE

Within the official campaign, the possibilities of self-government, as well as the threats from union, were illustrated with reference to the NHS, which became an increasingly prominent theme in the final weeks of the campaign. Health care is fully devolved in Scotland, although funding has been dependent upon spending decisions in England and the Barnett consequential this generates. In her final speech in parliament before the launch of the short campaign, Sturgeon claimed that protecting the NHS was 'a fundamental reason for independence. So that cuts from Westminster don't damage our NHS and instead we have the opportunity to decide for ourselves the resources we give to the NHS and other public services' (Sturgeon, 2014b). The focus on the threats to the NHS was a departure from what had hitherto been a deliberately positive campaign, and a drift towards the negativity and language of risk more familiar to their opponents. From the summer of 2014, the Yes Scotland campaign website ran a page with a headline asserting that '*A Yes means real gains for Scotland's people – but it's our NHS that will see the biggest cost if it's a No*' (Yes Scotland, 2014). It went on to argue that:

All of the Westminster parties are signed up to yet more swingeing austerity, sucking money out of Scotland's budget and people's pockets. Particularly at risk from a No is our NHS, where the privatization of the health service south of the Border could trigger cuts to Scotland's budget.

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<sup>1</sup> For example, a #YesBecause hashtag, led by National Collective in the final days of the campaign, attracted 101,238 tweets in 24 hours, and according to its coordinator, reached over 3 million people and was trending in Scotland, the UK and worldwide (Colquhoun, 2014). Many of the contributions expressed hopes of a better, more equal society.

The prominence of the threat to the NHS in the Yes campaign may seem surprising given that the UK parliament has no constitutional competence over health care in Scotland, and health spending in England had not declined so there were few adverse effects on fiscal transfers (see also the chapter by Lecca, McGregor and Swales). But the NHS has always had symbolic significance in the debate, and had itself been a symbol of Britishness. Presenting it as threatened by continued political union helped to reclaim the *national* in the National Health Service. The NHS was not the only devolved area at the heart of the Yes campaign. At the launch of the White Paper on *Scotland's Future*, Nicola Sturgeon's flagship policy commitment was to initiate a 'transformational' expansion in child care provision in the event of the SNP being elected to lead the first post-independence Scottish Government. Although this is wholly within the devolved sphere, the Scottish Government argued that only independence would enable this commitment to be financed through the increased tax take from an expanded female workforce. The policy was clearly also a naked attempt to make independence more appealing to women, given the gender gap in support for independence.

### **An Appeal to the Social Union**

Whereas the campaign for a Scottish Parliament in the 1980s and 1990s had the social democratic terrain largely to itself, in the independence referendum, the Yes campaign had to compete for this space with the leading players within *Better Together*. The Labour Party included a vision of social solidarity embodied in the welfare state as central to a social democratic case for union. They appealed to social solidarity at the British scale, implicitly framing the UK nation-state as a UK welfare state, and defending the Union as, in Gordon Brown's phrase 'a Union of social justice'.

The nation-building impact of the welfare state can be traced back to the early post-war years, and the impact the post-war welfare state had in creating new cherished *national* institutions, protecting citizens against social and economic risk, and at least for two decades marginalizing the home rule issue in political mobilization and debate (Finlay, 1997; McEwen, 2006). Its use in framing political discourse and explicitly presenting the UK as a social union is a more recent phenomenon, however, and largely an invention of Gordon Brown. He has been articulating the idea of the UK as a social union reflecting inter-regional solidarity since the onset of devolution (Brown and Alexander, 1999). These sentiments influenced the Commission on Scottish Devolution (Calman Commission) – set up in the wake of the SNP's first election victory in 2007 by the opposition parties with the support of the UK government to review the existing devolution settlement – and justified its recommendation to retain social security as a responsibility of the UK parliament. In a speech in 2012, Brown set the tone for Labour's referendum campaign in his defence of the 'union of social justice', supported by the spread of Scottish values across the UK:

We have guaranteed that no matter whether you are Scottish, English, Welsh or Irish you will have not just the same political rights but the same economic and social rights – to health care, to the same level of child benefit, to minimum wage, and to pensions. We have guaranteed that when one part of the UK is in difficulty the rest of the UK will come to their

aid . . . In the last hundred years the union *thanks to Scottish ideas of fairness and opportunity* has become a union for social justice (Brown, 2012, italics added).

The assumption of uniformity in health care was an exaggeration – even before devolution, there were some variations in the delivery of health care across the nations and regions of the UK. But the bigger problem was that such a discourse was being articulated against a backdrop of cuts to social security and fears of privatization in the NHS in England. It risked appearing nostalgic, potentially reinforcing the message of the Yes campaign that it spoke to a vision of the UK welfare state that no longer existed. For Labour, however, the diagnosis of the problem facing the UK welfare system was not political union but the Conservative-led coalition government. The solution was not to tear up three hundred years of union, but to vote for a Labour government at the next General Election.

These themes of cross-border social solidarity became a key feature of the Better Together campaign. One of its campaign documents, entitled *a Sharing Union*, appealed to a vision of social solidarity implicitly founded upon a shared sense of *Britishness*, and reflected a belief in the principle of social citizenship irrespective of where in the UK one lived (Better Together, 2014a):

The principled case for social union across the UK reflects *our history*. The welfare state was drawn together on the grounds that people across *our country* should have a minimum standard of living regardless of where they live. This is shown by the young person in work in London supporting the child benefit of someone growing up in poverty in Glasgow, and the revenues from oil receipts off the coast of Aberdeen supporting the person looking for work in Aberystwyth. We share with those across the UK a single system of unemployment assistance, a single old age pension, a uniform NHS, and more recently a common national minimum wage. These principles underpin our argument for the benefits of pooling resources across a wider community (italics added).

Speaking to a third sector audience, Alistair Darling, Labour MP, former Chancellor of the Exchequer and chair of the Better Together campaign, underlined that pooling and sharing resources was a ‘fundamental part’ of the UK, and the best way to respond to social inequality: ‘The United Kingdom is far more than an economic and political union; the social union is a fundamental part too and these three elements are what makes the UK what it is’ (cited in Third Force News, 20 February 2014). Gordon Brown, who assumed a more prominent role in the latter stages of the campaign, returned to these themes of shared social citizenship and the pooling of resources and sharing of risks it implied (see Brown, 2014a). In a powerful speech on the eve of the referendum, he invoked the shared sacrifices and a shared peace, embodying a shared solidarity across the nations of the UK: ‘The vote tomorrow is whether you want to break and sever every link and I say let’s keep our UK pension, let’s keep our UK pound, let’s keep our UK passport, let’s keep our UK welfare state.’ (Brown, 2014b)

Thus the Yes and No campaigns made similar appeals to social justice, but targeted them to distinctive communities of solidarity, one Scottish, and one in which Scottishness co-existed alongside and strengthened Britishness. They drew upon a similar set of social values, and a

similar set of assumptions about the egalitarian nature of Scottish values, but envisaged these as best reflected within different bounded communities. These were primarily sentiment-based, rather than fact-based, appeals to feelings of identity and belonging. These appeals were aimed directly at voters, and largely talked past each other. Only latterly did Brown explicitly try to counteract the framing of the Yes campaign, evidently concerned at its apparent impact on the referendum vote. In an article in *Prospect Magazine*, Brown criticized the tax and social policy commitments in the independence White Paper:

One of the propaganda devices of the Scottish National Party has been to persuade left-of centre opinion that breaking free from London rule would create a ‘northern light’ for social justice . . . However, a Scotland which followed the policies outlined in the SNP’s white paper for independence and ended the system of pooling and sharing resources across the United Kingdom would quickly find that income and wealth would be more unequally distributed than in the country they abandoned.

### **The Costs of the Welfare State Under Independence**

The social democratic case for union was mainly the preserve of the Labour Party and Better Together. While the UK government also reiterated the advantages for citizens and employers of a shared UK social security system, it was on more comfortable ground in framing the debate around the risks independence posed, including to the welfare state. From the perspective of the UK government, there was no welfare problem to diagnose, but the prognosis for welfare in an independent Scotland looked bleak. The Scotland Analysis paper on Work and Pensions, which like other outputs of the Scotland Analysis series sought to present a fact-based analysis and defence of the Union, claimed that ‘An independent Scottish state would face a more acute challenge than the UK as a whole, both in terms of demographic change, and its ability to absorb the impacts from a narrower tax base.’ (UK government, 2014: 10) The paper highlighted the increased relative costs of pensions and benefits resulting from demographic pressures, suggesting that Scotland was especially vulnerable because of it had proportionately fewer children (and therefore fewer workers in the future), fewer immigrants and a population that was consequently ageing faster. This was only partly corroborated by independent analysis. Parry (2014) pointed out that social protection spending per head in Scotland was now barely above the UK average (2 per cent with the gap narrowing), while demographic and economic projections resulting from migration, life expectancy, rates of disability and housing rents are too contestable and in any case have hitherto broadly balanced out revenue and spending disparities. Bell et al. noted that the disparity related more to relatively high spending on ill-health related benefits such as Disability Living Allowance and Pension Credit rather than the state pension. Whilst Scotland’s population is expected to age more rapidly than that of the UK as a whole, the gap is projected to narrow again after 2032, and could in theory be offset partially or wholly by immigration were Scotland and the rest of the UK to pursue high and low immigration policies respectively (Bell et al., 2014).

Framing independence as the problem, and exposing the risks to social and economic security posed by a Yes vote, was also central to the broader Better Together campaign. Using – and arguably abusing – figures from the Institute of Fiscal Studies, Better Together highlighted

the risks associated with lower tax revenues and the set-up costs of a new welfare state. A pamphlet presenting a unionist case for the NHS noted: ‘The impartial experts at the Institute for Fiscal Studies (IFS) have shown that a separate Scotland would face between £3 billion and £10 billion of cuts or tax increases . . . Some of these cuts would inevitably come out of our NHS budget. We don’t have to take such a big risk with our health service if we stay in the UK.’ (Better Together, 2014c)<sup>2</sup> The Better Together pamphlet on social security similarly raised doubts about the affordability of pensions and benefits in an independent Scotland, given the level of deficit and demographic trends: ‘With so much doubt over what would happen to these payments, how they would be paid and who would pay for them, the only responsible choice in September is to vote to remain in the United Kingdom.’ (Better Together, 2014a)

### **Welfare Bureaucracies and Cross-Border Cooperation**

As noted above, many of the pillars of the welfare state are already devolved to the Scottish Parliament, with institutional foundations that long predate devolution. Independence may have posed challenges and opportunities in maintaining, financing and expanding these, but there would be no new set-up costs. In social security, by contrast, the challenge of disentangling Scottish and UK entitlements and liabilities, and setting up a separate Scottish welfare bureaucracy, was acknowledged by both sides, although they differed on the scale and cost of the task.

For No campaigners, the costs of setting up new bureaucracies to deliver social security benefits (and to collect the tax revenues to fund them) added to the grim prognosis for welfare in an independent Scotland. The Scotland Analysis paper asserted that establishing a social security bureaucracy for an independent Scotland would require investment in a new IT system in the region of £3–400 million. In addition, it estimated operating costs of at least £720 million per year, and extra costs associated with developing, or procuring, relevant expertise to enhance policy-making and bureaucratic capacity, and to deliver and manage a large-scale welfare system. The paper also stressed the complexity and costs of disentangling Scottish and UK pension liabilities, disentangling and replacing other hitherto integrated tax and benefit systems, contracts and services, and negotiating ownership of, and access to, historical records of social security and tax claims (UK Government, 2014: 79–83). The emphasis was on the costs, risks and difficulties inherent in such a change, especially within the 18-month time scale that the Scottish Government had envisaged for the transition to independence. It assumed bureaucracies would have to be established from scratch, without factoring in the possibility of transferring ownership of existing Scotland-based DWP bureaucracies to the Scottish Government as part of independence negotiations.

The Scottish Government delegated the task of setting out a path towards transition to its Expert Group on Welfare. In its interim report, the expert group recommended that the Scottish

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<sup>2</sup> In fact, the IFS estimated Scotland’s net fiscal deficit in 2012–13 to have been 8.3 per cent of GDP, compared with 7.3 per cent for the UK, but in the year previously, Scotland had a relatively smaller net fiscal deficit. Using the OBR’s forecasts for the UK as a whole and assuming an independent Scotland would accept a population share of debt, they estimated that Scotland’s net fiscal deficit would decline to 2.9 per cent by 2018–19, assuming that the independent Scottish Government pursued austerity policies similar to those planned for the UK, putting it in a relatively worse position than the UK as a whole, which was projected to produce a net fiscal surplus of 0.2 per cent of GDP by 2018–19 (Amior et al, 2014).

and UK governments work together, in the spirit of the Edinburgh agreement, to deliver pensions and benefits on a shared arrangement basis for an unspecified transitional period, to minimize the disruptive impact for those dependent on benefits. The group also recognized the geographic interdependence in the current welfare bureaucracy. The bodies delivering public pensions and benefits are all under the control of the UK government, but they are scattered across the UK. Most – though not all – benefits applied for by Scots are processed in Scotland. These Scotland-based offices also provide this service to claimants in England. For example, the Child Maintenance Service, based in Falkirk, processes applications for the North East of England. DWP centres in Scotland deliver working age benefits for applicants in Yorkshire, the North West of England and London. The emphasis on continuity was intended to reassure citizens of a smooth transition to independence and there are clear advantages – in terms of continuity of service to those dependent on welfare benefits and job security for those who deliver them – to shared service agreements even after independence.

Yet, the greater the interdependencies and continuities, the less scope there would be for doing things differently. At present the social security system is deeply integrated, with corporate functions and IT systems managed centrally. Service delivery is dependent upon an integrated payment and accounting system run by the UK Department for Work and Pensions. This core engine at the heart of the system calculates benefit entitlements based upon a UK policy framework. Such a system can accommodate relatively minor modifications, as in Northern Ireland, but in practical terms, it would be extremely difficult to share the administration and delivery of services in the context of markedly different entitlements north and south of the border. Sharing welfare bureaucracy may not have comfortably coincided with the social welfare aspirations of many independence advocates.

The UK Government's Scotland Analysis paper also questioned the viability of shared systems after independence. It suggested that the UK Government would be unlikely to see such arrangements as beneficial to 'the continuing UK' and that they would be difficult to envisage in light of the rejection of a formal currency union by all UK parties, since the payment systems were based on Sterling. Where a negotiated agreement to share social security service delivery could be reached, the analysis paper insisted it would mean that an independent Scottish state 'would not be able to make changes to existing social security policy or processes or to opt out of Great Britain-wide reforms' (UK Government, 2014: 79). Intriguingly, this pressure to conformity and uniformity is not emphasized by the UK Government in ongoing deliberations over the Scotland Bill 2015 on devolving more limited social security powers, although many of the arguments still hold. In the referendum context, the purpose was clear: expose the risks, emphasize the costs, and draw attention to the complexity of the task of disintegrating one system and creating another. The problem for the UK Government in the area of welfare, however, was that its own programme of cuts to benefits and tax credits meant that, for those favouring comprehensive social security and redistributive welfare, a vote to remain in the Union was not risk-free.

## **Conclusion**

In the independence referendum, voters were given conflicting messages of the implications of both independence and union for a social democratic welfare state, with one side talking up the promise and opportunities of independence and the other warning of its dire consequences. The Yes campaign capitalized on divergence in the welfare regimes north and south of the border since devolution, and the trajectory of UK welfare reform and retrenchment, to advance a social democratic case for a Yes vote. Threaded throughout the Yes campaign were three themes explicitly linking the past and future of the welfare state with the goal of independence. First, the UK welfare state could no longer reflect Scottish values or be trusted to provide social security to Scottish citizens, as evidenced in ongoing welfare reform. Second, the apparent direction of travel in the health service south of the border posed a threat to the devolved NHS in Scotland. And third, independence offered the prospect of a comprehensive welfare state that would reflect better the assumed needs and priorities of the Scottish people. For its part, the No campaign linked the welfare state and the defence of the union with both a defence and celebration of the ‘union of social justice’ and its embodiment of social solidarity on a UK scale, and a threat to the ability of an independent Scotland to maintain, let alone, expand social welfare provision.

The *Risk and Constitutional Change* survey, conducted by Delaney, Henderson and Liñeira as part of the Centre on Constitutional Change research programme, suggests that the mixed messages were met at best with a mixed response, with limited evidence that they helped convert voters to either side (see Chapter 10). In particular, if the social democratic appeal and emphasis on welfare issues on the part of Yes campaigners was intended to appeal to women, in light of the gender gap in support for independence, there is little evidence to suggest that it succeeded. More men than women expected independence to lead to better care services for children, the elderly and people with disabilities just as more men than women supported Scottish independence. Nonetheless, even if this campaign discourse had only a limited direct impact in converting opinion toward the Yes vote, its motivational effects mattered. A vision of a progressive social democratic country, made possible by the powers and opportunities offered by constitutional independence, helped to motivate and mobilize the grassroots Yes movement, perhaps reinforcing the social bases of support for independence.

There is little evidence, too, to suggest that the Gordon Brown and Better Together vision of a UK social union and UK social solidarity still has deep resonance in Scotland. Although a prominent theme among some key players, the social democratic case for union was not as central to the No campaign as was the social democratic case for independence. UK welfare reform and the UK Government’s austerity programme gave these claims a nostalgic air, potentially reinforcing the claims of Yes campaigners that progressive welfare at the UK scale was a thing of the past. There is strong evidence from the aforementioned survey and many others suggesting that Scots believe the Scottish Parliament should control all areas of the welfare state, even if they don’t necessarily believe this should lead to a markedly distinctive set of entitlements. In the referendum campaign, however, the core message of the UK Government and Better Together campaigners revolved around the risks to social security and the welfare state, alongside the broader set of risks and uncertainties associated with independence, and these may have contributed to the general unease among No voters at the consequences of a Yes vote.





